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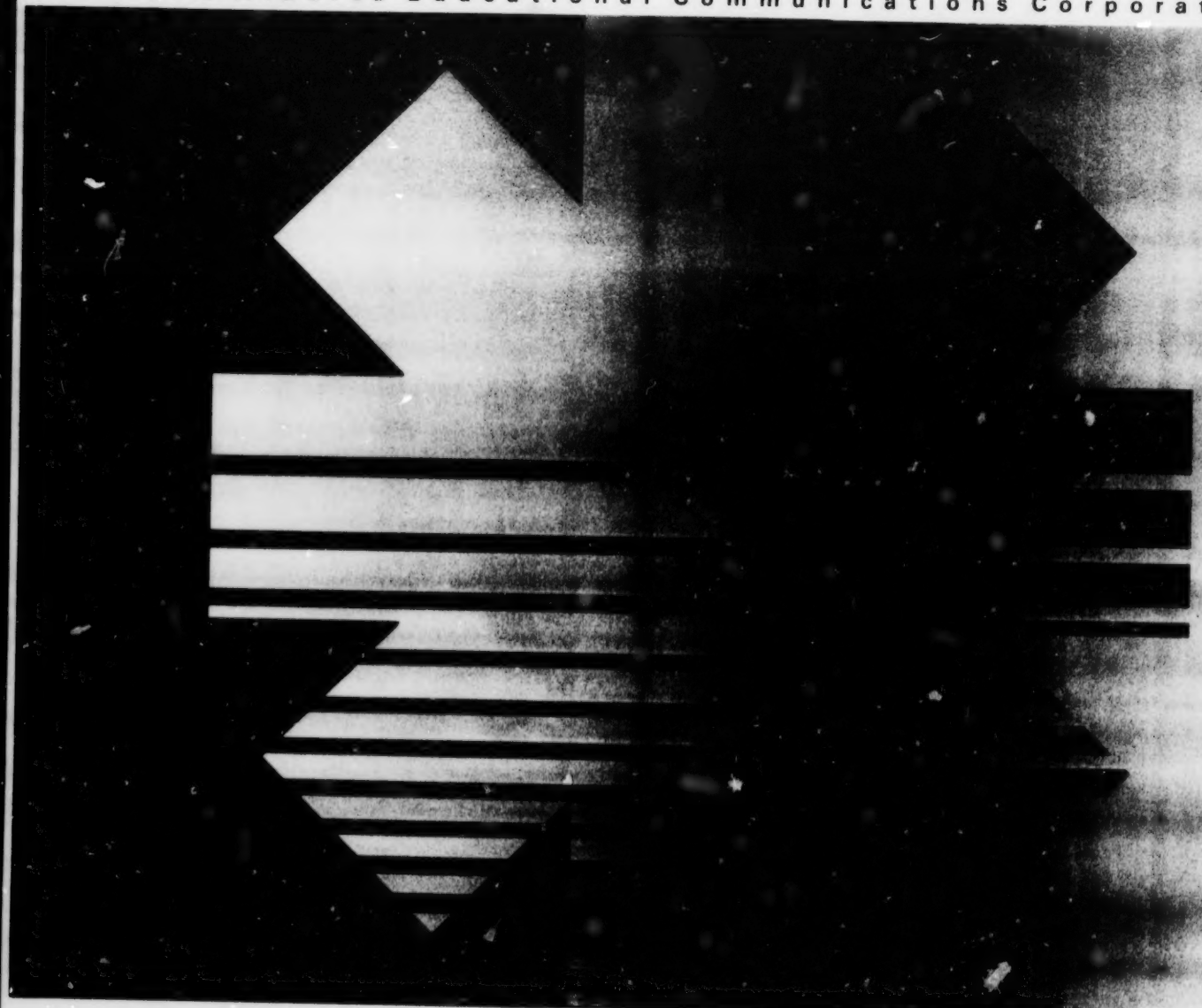
The Alberta Educational Communications Corporation

17th Annual Report

ACCESS NETWORK



April 1, 1989 to March 31, 1990

AWARDS

Won By ACCESS NETWORK 1989/90

AMPIA (February 1990)

JUNIOR HIGH ETHICS: FAIRNESS AND THE LAW
Best Motivational

BREAKING THE UNSEEN BARRIER: USING TECHNOLOGY
Best Educational

Children's Broadcast Institute Awards (October 1989)

THE HARMONY PUZZLE
(Environment and Economy)
Award of Merit

Second Prairie Show, Graphic Designers of Alberta (August 1989)

HOMEWORK HOTLINE POSTER 1988/89
Award of Merit

ACCESS NETWORK is the trade name of The Alberta Educational Communications Corporation. The Corporation was established by provincial statute assented to May 10, 1973, and proclaimed October 17, 1973. Its purpose is to provide a framework within which educational broadcasting and the development, production, and distribution of educational programs and materials can take place. ACCESS NETWORK is funded by a provincial government grant and self-generated revenues.

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10526 Jasper Avenue
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(403) 428-7595
Fax: (403) 428-7624

The Alberta Educational Communications Corporation
April 1, 1989 to March 31, 1990

Letter of Transmittal

June 25, 1990

Hon. Fred A. Stewart
Minister - Technology, Research and
Telecommunications
403 Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Mr. Stewart:

Further to the requirements of the Alberta Educational Communications Corporation Act, RSA 1980 Chapter A-18, Sec 12(2) as amended by the Alberta Educational Communications Amendment Act, 1981, Chapter 1, which states:

> "The report under subsection (1) shall be laid before the Legislative Assembly, if it is then sitting, and if it is not then sitting, within 15 days after the commencement of the next ensuing sitting."

It is a pleasure to provide the report for your review and for filing before the Legislative Assembly.

Yours truly,

Jim Woronuik
Chairman, Board of Directors

Peter L. Senchuk
President and Chief Executive Officer

Contents

2 **Board of Directors**
3 **President's Message**
4 **Educational Programming**
8 **Television**
12 **Radio**
14 **Financial Statements**
20 **Corporate Underwriters**
Organizational Chart (Inside Back Cover)

Printed on Recycled Paper

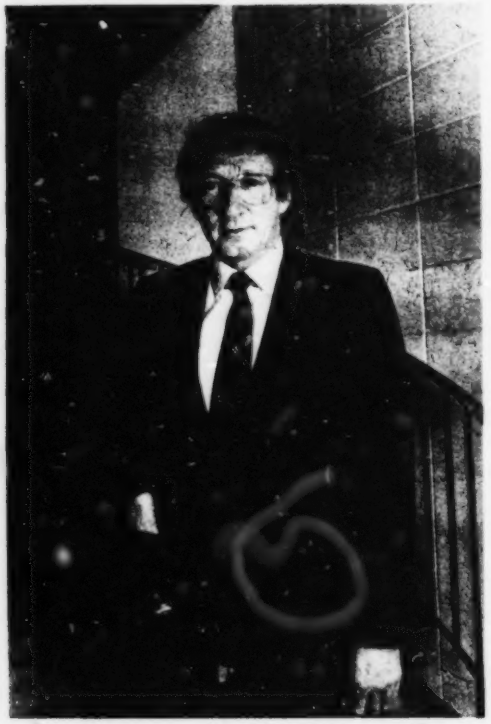
17th Annual Report

ACCESS NETWORK

Board of Directors

Back Row (L. to R.)	**John Keast** *Taber*	**Harlan Hulleman** *Red Deer*	**Glen Buick** *Edmonton*	**Bill Hunchak** *Wetaskiwin*	**Don Bahnuik** *Edmonton*	**Mary Stephenson** *Grande Cache*	**John McKay** *Calgary*
Front Row (L. to R.)	**Lucille Schmidt** *Edmonton*	**Clem Collins** *Vice-Chairman* *Grande Prairie*	**Jim Woronuik** *Chairman* *Edmonton*	**Katherine Richmond** *Calgary*	**Janet L. Ramsey-Brown** *Stavely*		
Absent	**Neil O. Henry** *Edmonton*	**Ken Murricane** *Edmonton*	**Dr. Roger Palmer** *Edmonton*				

PRESIDENT'S MESSAGE

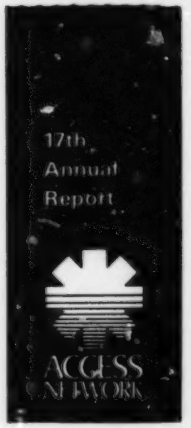


ACCESS NETWORK's seventeenth year of providing services has been a successful one for delivering educational, cultural and informational programming to Albertans. ACCESS NETWORK's programming is now used regularly by educational broadcasters, schools, post secondary institutions and community agencies in every province in Canada, and has captured audiences in 40 per cent of the vast U.S. instructional television market. In 1989/90, ACCESS NETWORK continued its tradition of producing, acquiring and distributing quality educational programming to meet the needs of a varied and inquisitive audience.

Curriculum-related programs and series, such as *Senior High Science, Math Sense, The Canada Series, Beginning Choral Music,* and the award-winning *Junior High Ethics* were produced in 1989/90 to meet the classroom needs of students in the Alberta school system. Several programs, including *On Cue: Inservice for Teachers* and *Catch 31*, were designed to meet the specific needs of both teachers and students through interactive studio broadcasts. ACCESS NETWORK continued to work with the province's educational community to acquire the best in instructional children's programming.

Adults also benefitted from the talent and expertise of the Corporation's production teams. *The Survivor's Guide to Learning, English as a Second Language: Teaching Techniques, When You Can't Strike Back: Techniques for Non-Abusive Restraint, Licensed Practical Nursing Assistant Refresher, Managing Spinal Injury in Sport* and a French-language version of *Petroleum: River of Energy* were among those produced in response to the lifelong learning needs of Albertans, as identified by the adult learning institutions in the province and ACCESS NETWORK.

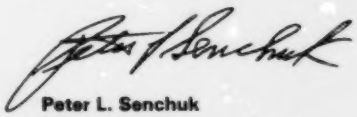
Much of ACCESS NETWORK's educational programming is broadcast to Alberta's "at home" audience along with a wide range of high-quality programming in the areas of the arts, documentaries, drama, how-to, science, technology and the natural world. ACCESS NETWORK introduced the Family Day Weekend in February to mark Alberta's first annual statutory holiday in honor of the family. Other television highlights included *Seven Days in Roumania*, a North American premiere depicting the 1989 revolution, and an "electronic town meeting" on Alberta's health care system, which featured a studio panel discussion and an electronic telephone voting system for a home audience. New episodes of *Homework Hotline* and *Discovery Digest* during 1989/90 continued ACCESS NETWORK's tradition of combining education and entertainment for youthful and adult audiences.



ACCESS NETWORK's television service to Albertans was enhanced on June 19, 1989, when an off-air television transmitter was installed to serve the immediate Calgary area. Plans are underway for the installation of a second off-air transmitter in Edmonton to be in operation in 1990/91.

CKUA AM•FM's reputation as a source of excellent programming in the arts, education and cultural enrichment was upheld in 1989/90. CKUA played a leadership role in the Alberta Music Project, a new program developed in cooperation with other radio stations to encourage emerging Alberta musical talent. Support c. the Alberta arts community was provided through CKUA's programming, performance previews and media sponsorships.

The support received this year from the Government of Alberta, the Board of Directors and the thousands of Albertans who generously supported the Corporation's fundraising campaigns has enabled ACCESS NETWORK to continue its tradition of delivering quality educational communications services.



Peter L. Senchuk
President and
Chief Executive Officer

EDUCATIONAL PROGRAMMING

ACCESS NETWORK provides a wide range of multi-media services to meet the educational needs of Albertans. Our Formal Learning Children/Youth Unit works closely with Alberta Education to produce and acquire video, audio and print resources which meet the curriculum needs of students throughout the province. The Formal Learning Adult Unit pursues education opportunities for its audience with the support of Alberta's post-secondary institutions and further education councils.

ACCESS NETWORK Productions 1989/90

Formal Learning Children/Youth

The Canada Series—A 10-episode video series exploring Canada's sovereignty, identity, regional diversity, multiculturalism, citizenship participation and relations with other countries. (Four student resource programs completed in 1989/90 complement the Grade 10 social studies curriculum.)

Math Sense—A video series designed to help distance learning students understand difficult high school mathematics concepts.

Senior High Science—The four student resource programs completed to date in this video series support the new Alberta senior high science curriculum.

On Cue—An interactive video broadcast providing inservice to teachers in science, special needs and mathematics.

Catch 31—Television tutors present lessons for distance learners on the more difficult concepts in the Math 31 curriculum.

Formal Learning Adult

The Survivor's Guide to Learning—Five instructional videos and accompanying booklets designed for independent or workshop use by adult students coping with post-secondary pressures or the challenges of distance learning.

English as a Second Language: Teaching Techniques—An 18-part video series designed to assist ESL teachers.

Licensed Practical Nursing Assistant Refresher—A video series for nursing assistants entering or returning to the health care field.

When You Can't Strike Back: Techniques for Non-Abusive Restraint—A training tool for health care professionals, paramedics, teachers, police and security personnel who must restrain an attacker without physical abuse.

Managing Spinal Injury in Sport—A comprehensive approach to the management of spinal injuries for coaches, sports instructors, recreation leaders, lifeguards and paramedical personnel.

Co-productions

Co-productions by our Formal Learning Adult Unit in 1989/90 reflect a growing interest in environmental issues among our audiences. *Harmony Puzzle II*, the second program of a two-part video series designed to help young students understand their role in the environment, was co-produced with Environment Canada. Alberta Environment participated in the production of *Great Expectations: Recycling in Alberta*, a look at the realities of recycling as a solution to society's waste management problem. Work continued in 1989/90 on *The Living Flow: Managing Canada's Water*, a major project produced with financial support from the Donner Canadian Foundation, the Canadian Studies Program of the Secretary of State of Canada, Science Culture Canada, Department of Energy, Mines and Resources Canada, and the Inland Waters Directorate of Environment Canada.

The Formal Learning Children/Youth Unit participated in two co-productions with the Curriculum Support branch of Alberta Education during the fiscal year. *Beginning Choral Music* features three of Alberta's master choral directors in a video series designed to assist music teachers and beginning choral musicians. *French Language Arts*, a 48-part audio tape series, was produced to support the junior and senior high school Francophone and French immersion language arts curricula.

Outstanding ACCESS NETWORK Productions

Harriet's Magic Hats I, II, III, IV
Junior High Ethics
You and the Law
Drama Reference

Breaking the Unseen Barrier
Encounters
Focus on Adult Learners
Critical Incident Stress

Board Development
Native Imagery
The Harmony Puzzle
The Criminal Justice System

"My students say it's about time we have a videodisc dictionary. It's fast and very easy to search for a word within a few seconds. As for hearing people, they love it too because it's faster and easier."
Sue Bailey, teacher, Alberta School for the Deaf

"The recognition we've received helps us compete with the larger players. Today when we present our programs at sales conferences, people are listening."
Jailan Megalli, manager, program services, ACCESS NETWORK

A Growing Reputation

Three ACCESS NETWORK series—*Junior High Ethics, Breaking the Unseen Barrier* and *Drama Reference*—were short-listed at FIRSTVIEW 1989, a major annual conference where U.S. instructional television agencies select programs for the next school year. *Junior High Ethics* placed third overall. All three series were subsequently broadcast over the SATSCREEN satellite delivery system to every school in the United States for further evaluation and purchase decisions. The result: A 65 per cent increase in U.S. sales for ACCESS NETWORK productions in 1989/90.

This success contributed to a 50 per cent overall program sales increase during the fiscal year, with steady growth in the Canadian educational broadcast markets as well as non-broadcast markets such as colleges and universities, boards of education, government departments, health agencies and libraries. Steady sales help us produce more of the quality educational programming we've become known for across North America.

Junior High Ethics—A hit with junior high school students and teachers, this video series earned ACCESS NETWORK an Alberta Motion Picture Industry Association (AMPIA) award in 1990 and placed third in a field of 136 at the FIRSTVIEW '89 conference, resulting in steady sales in the U.S. instructional television market. A resource package for educators, students and concerned adults, the series describes the Grade 8 ethics course introduced to Alberta schools in 1989 and dramatically illustrates key ethics concepts for students using humor, fast-paced delivery and special effects.

Breaking the Unseen Barrier—Another AMPIA award-winner for ACCESS NETWORK in 1990, *Breaking the Unseen Barrier* explores learning disabilities from the student's point of view. Children and adults with learning disabilities speak straight from the heart about their fears and frustrations, successes and hopes. The video series offers advice to teachers and parents about how to help these youngsters make the most of their capabilities and fit into the regular classroom routine.

Drama Reference—A teacher inservice series designed to support Alberta's elementary drama curriculum, *Drama Reference* presents drama content, teaching strategies and resources, and dramatic activities for the classroom.

A Leader in Educational Technology

Since its completion in early 1990, *ASL (American Sign Language) in Canada: The Videodisc Dictionary* has proved its worth at the Alberta School for the Deaf in Edmonton. Now this one-of-a-kind teaching tool for the hearing impaired is generating interest from educators and deaf communities across North America, further cementing our Educational Technology Centre as a leader in the development of interactive educational videodiscs.

The sign language dictionary capitalizes on the strengths of videodisc technology to deliver a 4,500-word video directory of ASL usage in Canada. Designed to help sign language users acquire a richer vocabulary and proficiency, the dictionary will be enhanced by a proposed computer program which will allow students to automatically retrieve any word alphabetically or by subject.

This unique application of videodisc technology to meet specialized educational needs follows the Educational Technology Centre's success with projects like the *Forest Fire Simulator* videodisc in use at the Hinton Forest Technology School for fire fighter training, and a series of computer information systems installed at ecological interpretive centres in Peter Lougheed Provincial Park and Bow Valley Provincial Park.

"They took really difficult concepts and went through them step by step in a slow, easy-to-understand way before our final exams, many of us used the Practical Nursing Refresher as a review because it covered the major points."
Nicole Creusot, graduate, Nursing Assistant Program, Alberta Vocational Centre Edmonton

Meeting Special Needs

According to the Western Canadian Centre of Specialization in Deafness at the University of Alberta, 10 per cent of Alberta's population is either deaf or hearing impaired. This percentage will increase as the average age of the population increases. To meet this growing need, ACCESS NETWORK established a fund to develop 15 hours of closed-captioned broadcast programming in 1989/90. Closed captioning is a television subtitling service that translates dialogue into printed text. Captions are electronically hidden in the video signal and are visible to hearing-impaired viewers through a special decoding device. In the future, it is intended that all student resource programs produced by ACCESS NETWORK for Alberta Education will be closed captioned for the hearing impaired.

TELEVISION

ACCESS NETWORK television is available to more than 600,000 schools and households in Alberta. Each year, ACCESS NETWORK produces more than 130 hours of television programming, independently or in cooperation with sponsors. Formal programming is designed to meet specific educational needs of Albertans, including school broadcasts, telecourses and other curriculum-related productions. Informal programming, including historical dramas, documentaries, how-to programs, the arts, music, family viewing, science, technology and the natural world, is produced by ACCESS NETWORK and acquired from international broadcast organizations and independent producers. Individual Albertans who contribute to our fundraising campaigns and corporate sponsors who underwrite many of our programs have helped ACCESS NETWORK develop a varied line-up of quality educational and cultural programming since the television service's first broadcast in 1985.

Supporting Creative Ideas

The Independent Production Development Fund helps emerging film producers like Christine Richey bring creative ideas to your television screen. Established to provide funding, pre-license agreements and co-production assistance to the private film industry, the fund has been the catalyst for $4.4 million in new Canadian programming, generating an estimated $2.5 million in economic activity in Alberta alone since it was established in 1989. Twenty-two Alberta film projects and 15 that originated elsewhere in Canada benefited from the fund in 1989/90. Many would not have received full project funding from government or private sources without ACCESS NETWORK's confidence and support at the concept stage. In return, we are assured of a source of high-quality Canadian children's, cultural and documentary programming to meet our viewers' needs in the future.

Celebrating Five Years

Two of ACCESS NETWORK's informal television programs—*Homework Hotline* and *Discovery Digest*—celebrated five years of broadcast in 1989/90. *Homework Hotline*, a co-production with the Alberta Teachers' Association, continued to captivate junior high school students with live television tutoring in math, language arts and science. The character Mike Grammar and features such as Terrifying Terms and Weird Science helped make homework more palatable for students across the province. *Discovery Digest* also celebrated its fifth anniversary with a dynamic season of science for everyone. Simple explanations from the experts and fun tales from a team of reporters in the field made *Discovery Digest* a popular science magazine for Alberta viewers.

The Best in Family Programming

ACCESS NETWORK marked Alberta's first annual Family Day holiday in February 1990 with a special family celebration of our own. We scheduled the best in family programming, with something to please everyone from preschoolers to grandparents, every evening during the long weekend. With financial assistance from Alberta Wheat Pool, Fanny's Fabrics, Alberta Treasury Branches, The Sovereign General Insurance Company, Sun-Rype and the Edmonton Sun, we offered programs such as *National Velvet*, *A Matter of Conscience*, *Rebecca of Sunnybrook Farm* and *The Elephant Show in Concert*. Thousands of viewers took part in our contest for a trip to Disneyland. The response prompted us to proclaim every third weekend in February Family Day Weekend at ACCESS NETWORK.

A Gripping Account

It began with two amateur camera operators who risked their lives to shoot home video footage of the 1989 Roumanian revolution as it unfolded before their eyes. Purchased by a Japanese television network, the video found its way to a conference in New Orleans where two of ACCESS NETWORK's senior executives purchased it for an Alberta audience. With the assistance of a Roumanian ballerina now living in Edmonton, translation of the Roumanian background audio and preparation of English commentary and subtitles were completed in our studios in time for broadcast during the 1990 spring membership campaign. The result was the North American premiere of *Seven Days in Roumania*, a gripping record of the overthrow of the hated Ceausescu regime through the eyes and video cameras of two men in the thick of battles, revolution strategy meetings and executions.

National Velvet

Homework Hotline

Baka: People of the Rain Forest

Discovery Digest

Our 1989/90 television schedule was a mixture of family classics such as *National Velvet*, intriguing documentaries such as *Baka: People of the Rain Forest*, and a myriad of ACCESS NETWORK productions including *Discovery Digest* and *Homework Hotline*, two perennial favorites with Alberta viewers.

"I like to take courses at the university. It seems whatever I've taken, whether it's art history or anthropology, there's been a program on ACCESS NETWORK to complement it."
Sandra Pell, member, ACCESS NETWORK

"We received a tremendous response from rural Calgary even before we were officially on the air."
Neil Lutes, engineering supervisor, ACCESS NETWORK

A New Era in Education

ACCESS NETWORK is at the forefront of an exciting new era in distance learning. Improved satellite links between students, teachers, computers and video broadcasts in the future will mean new, cost-effective methods of delivering interactive distance education to every part of Alberta.

In 1989/90, ACCESS NETWORK and a consortium of partners from the private and public sectors participated in a field trial testing the effectiveness of "very small aperture terminal" (VSAT) technology in the satellite delivery of computer information to various locations throughout the province. We learned that the unused band edge of our channel on Telesat Canada's ANIK C-1 satellite can be used to provide effective distance education systems. Computer networking and live interactive video and audio programming made possible by this technology can overcome the vast distances between students and teachers involved in distance learning.

VSAT has other potential uses in government and industry, including land and forestry resource management and fire control, and monitoring of far-flung industrial systems such as gas and oil pipelines. ACCESS NETWORK is proud to participate in this multi-user field trial project, the first of its kind conducted in Canada and probably the first for tele-education and other public services in the world.

An Enthusiastic Response

The installation of our first off-air television transmitter in June 1989 was enthusiastically received by rural householders in the immediate Calgary area who previously were unable to access our broadcasts through a commercial cable service. Now all schools and homes in Calgary and the surrounding area benefit from our regular program schedule, as well as the popular Night Owl early-morning program schedule for educators. Pending approval from the Canadian Radio-television and Telecommunications Commission (CRTC), all rural and urban homes and schools in the immediate Edmonton area will receive off-air broadcasts when ACCESS NETWORK's second television transmitter is installed in 1990/91.

Special People!

Year	Television Members	Radio Members	Total
1986/87	TV and Radio Combined		344
1987/88	2,795	1,805	4,564
1988/89	5,071	3,259	8,330
1989/90	7,024	5,108	12,132

ACCESS NETWORK members are special! Their support helps us produce and acquire the quality programming that fills our radio and television schedules. Financial support from Albertans has steadily increased since we initiated semi-annual radio and television campaigns in 1987.

"With ACCESS NETWORK we can tell stories all over the world just by using your TV set. Some folks are struggling to make decisions as to where to travel next."
Sheila and Al Parr, members, ACCESS NETWORK

RADIO

For over 60 years, ACCESS NETWORK CKUA AM•FM has programmed the finest in music presented by knowledgeable hosts and selected from one of the most extensive music libraries in Western Canada. Support of arts communities in Alberta has been a priority, along with comprehensive coverage of news and public affairs across the province. CKUA continues to produce and broadcast formal and informal educational programming, including curriculum support material and instructional programs. The relationship between CKUA and its listeners is most apparent during semi-annual fundraising campaigns when fans of the station's eclectic programming pledge financial support to Alberta's only province-wide radio station.

Making Radio History

CKUA AM•FM has been making radio history since its first broadcast from the University of Alberta campus on November 21, 1927. Then, as today, its mission was to offer education and a rich musical heritage to the people of Alberta. On April 15, 1989, CKUA helped preserve one more moment in musical history. Using the latest in digital recording technology, a production crew from the station recorded a concert of blues and gospel music presented by CKUA and the Athabasca Live Arts Society in cooperation with Athabasca University.

The artist was Big Miller, one of Alberta's best-known musicians and the last in a great line of Kansas City Blues Shouters. The recording was made to preserve what is becoming a dying art among blues singers. Broadcast a few weeks later to CKUA listeners across the province, the recording eventually found its way to blues fans on a compact disc which reflects Big Miller's life work. Once again, CKUA is proud to play a role in the creation of a historical archive of one of Alberta's musical legacies.

On the Alberta Beat

With bureaus in Edmonton and Calgary and a listenership served by CKUA's 16 transmitters across Alberta, ACCESS NETWORK's radio news and public affairs department takes a broad look at political affairs in the province. The only news media to provide live radio broadcasts of Question Period from the Alberta legislature, CKUA also broadcast the provincial budget and throne speeches in 1990. Other live broadcasts during the year included the provincial government's response to the Code inquiry on the collapse of the Principal group of companies, an all-candidates debate during the Stettler by-election and the goods and services tax debate in Edmonton with Canada's Finance Minister Michael Wilson. Special coverage included a feature report on pulp mill development in Northern Alberta and indepth interviews with candidates in Alberta's Senate election.

A Sensational Challenge

Edmonton's a cappella sensation Juba pitched in during CKUA's March 1989 fundraising campaign with a live on-air performance and a challenge to listeners to support the station's distinctive programming. A recently-established but very successful tradition at CKUA, semi-annual fundraising campaigns have never failed to meet their targets since they were initiated in 1987. A corps of enthusiastic phone-line volunteers, dedicated staff who make every effort to play requests from listeners during the campaigns and artists like Juba who lend their support helped CKUA raise $146,613 in 1989/90.

Juba in CKUA's studio

Exposing Alberta Talent

The Alberta Music Project, an initiative of ACCESS NETWORK CKUA AM.FM in cooperation with Sunwapta Broadcasting and Balsa Broadcasting Corp., was designed to support talented Albertans who have the ability and desire to pursue careers in the music industry. Announced in late 1988, the project was designed to give exposure to emerging artists while providing Alberta radio stations with exciting new material.

The reaction was immediate! Eighty applications, from composers and performers representing all types of music from pop to jazz, country and classical, were submitted to CKUA and other participating stations for auditioning. Fourteen previously-unrecorded artists were selected to appear on a pilot master tape which was circulated to 13 participating radio stations for air play. Each artist received a copy of the tape to use as a demo for recording companies or potential employers. Audition tapes continued to flow into CKUA and cooperating stations during 1989/90 and the concept was heralded as further evidence of ACCESS NETWORK's leadership in the promotion of the Alberta music industry.

FINANCIAL STATEMENTS

Auditor's Report

ALBERTA LEGISLATURE

Office of the Auditor General

To the Directors of The Alberta Educational Communications Corporation and the Members of The Alberta Educational Communications Authority

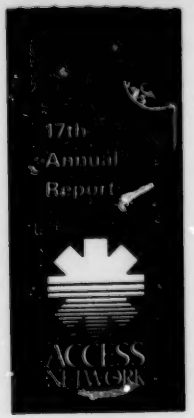
I have examined the balance sheet of The Alberta Educational Communications Corporation as at March 31, 1990 and the statements of revenue, expenditure and operating equity, equity in fixed assets and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Donald D. Salmon

FCA
Auditor General

Edmonton, Alberta
June 8, 1990



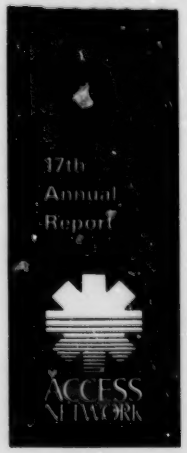
The Alberta Educational Communications Corporation

Balance Sheet

March 31, 1990

	1990	1989
Assets		
Current:		
Cash	$ 437,049	$ 519,024
Accounts receivable	606,485	630,391
Capital grant receivable	720,000	-
Inventories	48,209	42,243
Prepaid expenses and deposits	445,462	360,387
	2,257,205	1,552,045
Deferred program costs (Note 3)	2,121,819	1,947,363
Fixed assets (Note 4)	4,245,598	4,632,993
Long-term licences (Note 5)	93,146	122 818
	$8,717,768	$8,255,219
Liabilities and Equity		
Current:		
Payables and accruals	$1,665,761	$1,957,704
Unexpended capital grants	837,147	258,227
Advances on co-productions	356,028	467,768
	2,858,936	2,683,699
Equity:		
Operating	1,613,234	938,527
In fixed assets	4,245,598	4,632,993
	5,858,832	5,571,520
	$8,717,768	$8,255,219

The accompanying notes are part of these financial statements.



The Alberta Educational Communications Corporation

Statement of Revenue, Expenditure and Operating Equity

For the Year Ended March 31, 1990

	1990	1989
Revenue:		
Operating grant from the Province of Alberta	$15,878,000	$15,263,000
Revenue from program sales, video and audio dubbing (Note 6)	995,218	756,913
Direct costs recovered on production of programs	321,128	657,368
Membership contributions	478,744	328,443
Interest	389,204	314,175
Corporate underwriting	175,431	206,937
Other	35,078	28,755
	18,252,803	17,555,591
Expenditure:		
Development and production	8,406,021	8,606,510
Program support	4,557,694	4,410,449
Utilization and distribution	4,614,381	4,257,907
	$17,578,096	$17,274,866
Excess of revenue over expenditure for the year	674,707	280,725
Operating equity at beginning of year	938,527	657,802
Operating equity at end of year	$ 1,613,234	$ 938,527

Statement of Equity in Fixed Assets

For the Year Ended March 31, 1990

	1990	1989
Equity in fixed assets at beginning of year	$4,632,993	$5,035,115
Add:		
Unexpended capital grants at beginning of year	258,227	299,165
Capital grant from the Province of Alberta	1,220,000	850,000
Unexpended capital grants at end of year	(837,147)	(258,227)
Proceeds on sale of fixed assets	37,371	8,750
Total funds used to acquire fixed assets	678,471	899,688
Deduct:		
Depreciation and amortization of fixed assets	1,034,817	1,232,259
Disposal of fixed assets, at cost less accumulated depreciation of $445,736 (1989 $372,657)	31,229	69,551
	1,065,846	1,301,810
Equity in fixed assets at end of year	$4,245,598	$4,632,993

The Alberta Educational Communications Corporation

Statement of Changes in Financial Position

For the Year Ended March 31, 1990

	1990	1989
Operating activities:		
Excess of revenue over expenditure	$ 674,707	$ 280,725
Add items not affecting cash:		
Amortization of long-term licences	29,672	10,828
Amortization of deferred program costs	1,408,430	1,321,290
Net change in non-cash working capital balances relating to operations (Note 7)	(470,818)	298,452
Cash provided by operations	1,641,991	1,911,295
Investing Activities:		
Additions to deferred program costs	(1,582,886)	(1,610,453)
Additions to fixed assets	(678,451)	(899,688)
Capital grant from the Province of Alberta	1,220,000	850,000
Increase in capital grant receivable	(720,000)	
Proceeds on sale of fixed assets	37,371	8,750
Decrease in long-term payables	-	(37,000)
Cash applied to investing activities	(1,723,966)	(1,688,391)
Increase (decrease) in cash	(81,975)	222,904
Cash at beginning of year	519,024	296,120
Cash at end of year	$ 437,049	$ 519,024

Notes to the Financial Statements

March 31, 1990

Note 1 Authority

The Alberta Educational Communications Corporation operates under the authority of The Alberta Educational Communications Corporation Act, Chapter A-18, Revised Statutes of Alberta 1980, as amended.

The Corporation is registered as a charitable organization with Revenue Canada.

Note 2 Significant Accounting Policies

General

These financial statements have been prepared in accordance with generally accepted accounting principles except that depreciation and amortization of fixed assets are charged against equity in fixed assets.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and amortization. An equivalent amount is reported as equity in fixed assets.

Depreciation is calculated using the straight-line method as follows:

	Years of Useful Life	Salvage Value as % of Cost
Buildings	30	-
Land improvements	7	-
Transmission equipment	10	5%
Studio and technical equipment	7	5%
Automotive	5	15%
Mobile equipment	7	5%
Furniture, fixtures and office equipment	7	5%

Leasehold improvements are amortized on the straight-line basis over the remaining term of the lease plus one renewal period.

Deferred Program Costs

Programs purchased from other agencies are recorded at cost less amortization calculated using diminishing annual rates as a percentage of cost over the period (to a maximum of four years) for which the right to use the program has been acquired.

Long-term Licences

The long-term licences are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over a term of twenty years for the broadcast licence and five years for the computer software licences.

Inventories

Inventories consist of video and audio tapes and disks and are recorded at the lower of cost and net realizable value.

Program Productions

All direct costs of programs developed and produced by the Corporation are charged against operations in the year incurred as significant cost recoveries are not normally expected from these programs after the initial year of production and broadcasting.

Membership Contributions

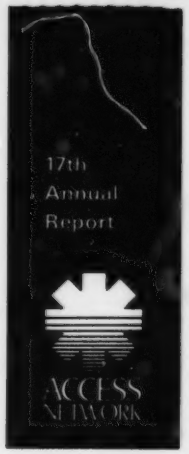
Membership contributions are recorded on a cash basis.

Note 3 Deferred Program Costs

	1990	1989
Cost	$6,221,186	$7,159,869
Accumulated amortization	(4,099,367)	(5,212,506)
Net book value	$2,121,819	$1,947,363

Note 5 Fixed Assets

	1990			1989
	Cost	Accumulated Depreciation and Amortization	Net Book Value	Net Book Value
Buildings and land improvements	$ 301,997	$ 154,200	$ 147,797	$ 160,846
Transmission equipment	2,740,636	1,794,137	946,499	996,637
Studio and technical equipment	9,140,934	7,361,366	1,779,568	2,015,967
Automotive and mobile equipment	559,108	449,321	109,787	80,543
Furniture, fixtures, and office equipment	2,015,148	1,217,238	797,910	837,985
Leasehold improvements	1,929,612	1,465,575	464,037	541,015
	$16,687,435	$12,441,837	$4,245,598	$4,632,993



Note 5 Long-term Licenses

	1990			1989
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software licenses	$125,864	$74,718	$ 51,146	$ 76,318
Broadcast license	90,000	48,000	42,000	46,500
	$215,864	$122,718	$93,146	$122,818

Note 6 Revenue from Program Sales, Video and Audio Dubbing

This consists of:

	1990	1989
Educational television and radio programs sold to organizations resident primarily outside Alberta	$453,507	$230,451
Dubbing of programs requested by various educational institutions primarily within Alberta	188,039	184,298
Other dubbing services and sale of computer diskettes, print materials, multi-media kits and program brochures.	353,672	342,164
	$995,218	$756,913

Note 7 Net Changes in Non-cash Working Capital Balances Relating to Operations

	1990	1989
Accounts receivable	$ 23,906	$(127,735)
Inventories	(5,966)	15,310
Prepaid expenses and deposits	(85,075)	(38,981)
Payables and accruals	(291,943)	393,665
Advances on co-productions	(111,740)	56,193
	$(470,818)	$298,452

Note 8 Investment

The Corporation is a member of a consortium formed to apply computer, telecommunications, broadcast and related technologies to create a more innovative and effective approach to distant education services. The consortium incorporated Canadian Distance Learning Development Centre Ltd. on April 17, 1988 and the Corporation acquired a 25% interest in this Centre at no cost. As no profits or losses of the Centre are expected to accrue to the Corporation, the investment has been accounted for on a cost basis which is nil at March 31, 1990. To date, the Corporation has not participated in any production activities with the Centre.

Subsequent to year-end, the Corporation withdrew as a shareholder in Canadian Distance Learning Development Centre Ltd.

Note 9 Commitments

The Corporation had the following commitments at the year-end:

a) **Productions in Progress**

The Corporation had a number of productions in progress at March 31, 1990. The costs for the completion of these productions in progress are estimated at $850,000 (1989 $1,100,000).

b) **Realty and Equipment Leases**

The Corporation is committed to rental payments under realty and equipment leases. Minimum annual rental payments during the next five fiscal years are as follows:

1991	$1,140,000
1992	1,087,000
1993	970,000
1994	233,000
1995	1,600

c) **Satellite Transmission Services**

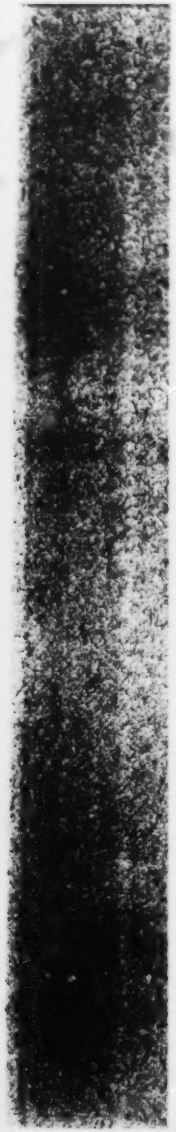
The Corporation is also committed to satellite transmission services during fiscal 1991 under an annually renewable lease of $1,358,000 per year.

Note 10 Comparative Figures

The 1989 figures have been reclassified where necessary to conform to 1990 presentation.

Note 11 Approval of Financial Statements

These financial statements were reviewed by management and the Audit Committee and recommended for approval by the Board.



Our thanks to the following corporate underwriters who helped to present quality programming to Albertans in 1989/90:

AGT

Alberta N.W.T. Command - The Royal Canadian Legion

Alberta Energy Company Ltd.

Alberta Wheat Pool

Alberta Law Foundation

Alberta Treasury Branches

Alberta Technology, Research and Telecommunications

AMPEX

Artists' Emporium

Brinner Travel Ltd.

Canada Safeway Limited

Canadian Society of Safety Engineering

Canadian Western Natural Gas/Northwestern Utilities

Chapman Finlay

Chevron Canada Resources

Ciba-Geigy

Edmonton Power

Energy, Mines & Resources Canada

Esso/Imperial Oil Limited

Fanny's Fabrics

Hilton International Edmonton

Mr. W.J. Starodub

Ms. Anne Murray

Nickle Family Foundation

Norcen Energy Resources Limited and Superior Propane

Petroleum History Society

Petroleum Resources Communication Foundation

Society of Manufacturing Engineers, Edmonton and Northern Alberta Chapter

Suncor Inc.

SunRype

Texaco

The Minerva Foundation

The T.J. Ranaghan Foundation

The Canadian Manufacturers' Association - Alberta Division

The Sovereign General Insurance Company

The Gladys and Merril Muttart Foundation

The Calgary Foundation

The Department of the Secretary of State of Canada

The Brick

Time Air

TransAlta Utilities

Travel Alberta

ACCESS NETWORK

Organizational Chart

Organization Structure and Reporting Relationships as of March 31, 1990